

Regular Session, 2010

HOUSE BILL NO. 807

BY REPRESENTATIVE TIM BURNS

INSURANCE: Requires that a title opinion contain a search of the mortgage or public records for a specified period of time for federal judgments or if the transaction being insured is a sale or a mortgage

1 AN ACT

2 To amend and reenact R.S. 22:512(17)(b)(introductory paragraph) and (vi)(bb) and (gg),  
3 relative to title insurance; to require that a title opinion contain a search of the  
4 mortgage records for a period of twenty years for federal judgments; to require the  
5 length of the examiner's search for a transaction involving a sale be a minimum  
6 period of thirty years or longer in order to reach a third-party transfer; to require the  
7 examiner's search be a minimum of ten years or two links in the chain of title,  
8 whichever is greater, if only the mortgage is being insured; and to provide for related  
9 matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 22:512(17)(b)(introductory paragraph) and (vi)(bb) and (gg) are  
12 hereby amended and reenacted to read as follows:

13 §512. Definitions

14 As used only in this Subpart, the following words are defined as:

15 \* \* \*

16 (17) "Title insurance business" or "business of title insurance" shall mean:

17 \* \* \*

18 (b) Transacting or proposing to transact by a title insurer or a title insurance  
19 ~~producer~~ agent any of the following activities when conducted or performed in

1 contemplation of or in conjunction with the issuance of a title insurance report or  
2 policy:

3 \* \* \*

4 (vi) Examining titles; however, any title insurance report or title insurance  
5 policy relating to immovable property shall be based upon an examination of title  
6 which shall be conducted only by attorneys duly licensed and authorized to practice  
7 law in Louisiana. The examination and resulting opinion, if it furnishes the basis of  
8 a title insurance report or title insurance policy relating to immovable property, shall  
9 be reduced to writing by the attorney. The title opinion shall contain the following:

10 \* \* \*

11 (bb) Complete list of all encumbrances, mortgages, judgments, liens, and  
12 privileges. This list shall contain the name of secured creditors, date filed, amounts,  
13 and recordation information. For federal judgments, a search of the mortgage  
14 records shall be made for a period of twenty years.

15 \* \* \*

16 (gg) Length of examiner's search and date of earliest recorded instrument  
17 reviewed by the examiner. If the transaction being insured is a sale, the minimum  
18 search period shall be thirty years, or longer, if necessary, in order to reach an arms-  
19 length sale between unrelated, third parties. If only a mortgage is being insured, then  
20 the search shall be for a minimum of ten years or two links in the chain of title,  
21 whichever is greater.

22 \* \* \*

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Tim Burns

HB No. 807

**Abstract:** Provides that a title opinion must contain a search of the mortgage or public records for a specified period of time for federal judgments and sales or mortgages that are being insured.

Present law (R.S. 22:512(17)(b)(vi)(bb)) provides that a title opinion must contain a complete list of all encumbrances, mortgages, judgments, liens, and privileges. Further requires the list to contain the names of secured creditors, dates filed, amounts, and recordation information.

Proposed law retains present law and adds a provision requiring a title opinion to contain a search of the mortgage records for a period of 20 years for federal judgments.

Present law (R.S. 22:512(17)(b)(vi)(gg)) provides that a title opinion must contain the length of examiner's search and date of earliest recorded instrument reviewed by the examiner.

Proposed law retains present law and adds a provision that specifies if the transaction is a sale, the minimum search period must be 30 years, or longer, in order to reach an arms-length sale between unrelated, third parties. Proposed law further provides if only a mortgage is being insured, then the search must be for a minimum of 10 years or two links in the chain of title, whichever is greater.

(Amends R.S. 22:512(17)(b)(intro. para.) and (vi)(bb) and (gg))

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Civil Law and Procedure to the original bill.

1. Deleted provisions requiring a title insurance agent to be domiciled in this state.